

## Message Text

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PAGE 01 NEW DE 01842 051454Z

65

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 PA-02 PRS-01 /094 W  
----- 064785

R 051254Z FEB 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3851

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS NEW DELHI 1842

E.O. 11652: N/A

TAGS: USINJC

SUBJECT: JOINT BUSINESS COUNCIL

1. INDO-US JOINT BUSINESS COUNCIL CLOSED ITS MEETING FEBRUARY 4 WITH A LENGTHY JOINT STATEMENT (COPIES POUCHED NEA/INS-MONEY AND CONGENS). THE STATEMENT CALLED FOR EXPANDED JOINT ACTIVITIES IN THE FIELDS OF BILATERAL TRADE, THIRD COUNTRY COOPERATION, INVESTMENT AND FLOWS OF TECHNOLOGY. THERE WAS A JOINT CALL FOR INCREASED FOREIGN INVESTMENT IN INDIA AND A(UNUSAL FOR INDIA) STATEMENT THAT BUSINESS ENTERPRISE WAS THE "PRINCIPAL AGENT OF GROWTH." THE US SIDE SUGGESTED THAT A CLEAR STATEMENT BY THE PRIME MINISTER OF INDIA'S DESIRE FOR FOREIGN INVESTMENT WOULD BE PARTICULARLY HELPFUL. IN CREATING CONFIDENTE.

2. THERE WAS EXTENSIVE DICUSSION OF FERA REGULATIONS AND A JOINT CALL FOR FURTHER CLARIFICATION AND FLEXIBILITY. BOTH SIDES SUGGESTED THEIR GOVERNMENTS WORK FOR A DOUBLE TAXATION TREATY. A JOINT TASK FORCE TO "EXPAND UNDERSTANDING" OF INDIA'S FOREIGN INVESTMENT REGULATIONS IN THE US WAS FORMED.

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3. THE IMPORTANCE OF THE US GSP OFFER TO INDIAN EXPORTERS WAS

STRESSED. THERE WAS A RECOMENDATION FOR EXPANSION OF THE PRODUCTS INCLUDED IN THE LIST AND ELIMINATION OF QUOTA RESTRICTIONS ON INDIA'S HANDLOOM EXPORTS. THE POTENTIAL FOR INDO-US COOPERATION IN THIRD COUNTRIES WAS UNDERLINED.

4. THE MEETING RECEIVED EXTENSIVE AND FRIENDLY PRESS COVERAGE. THE FOCUS WAS PRIMARILY ON FREEMAN'S STATEMENTS PRAISING INDIA'S SUCCESS IN CONTROLLING INFLATION AND IN CALLING FOR CLOSER ECONOMIC TIESS.

FREEMAN MET PRIVATELY WITH THE PRIME MINISTER, AND WILL MEET WITH THE FINANCE AND FOREIGN MINISTERS. A LENGHTY EXCEPT FROM HIS STATEMENT WAS CARRIED ON INDIAN TV AND HE IS ALSO TO BE INTERVIEWED ON AIR.

6. COMMENT: EMBASSY AND BUSINESS COMMENTS ON MEETING FOLLOW IN SEPTTEL.SAXBE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC COOPERATION, BUSINESSMEN, MEETING PROCEEDINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Review Date:** 18 JUN 2004  
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**Subject:** JOINT BUSINESS COUNCIL  
**TAGS:** ECON, US, IN, USINJC  
**To:** STATE  
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